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WATER RESOURCES
WESTERN REGION

December 30, 2010

Steve Lester
Idaho Department of Water Resources
Western Region Office
2735 Airport Way
Boise, ID 83705-5082

Subject: Application for Permit 61-12256 (329.0050)

Dear Steve,

On March 16, 2010, the Idaho Department of Water Resources (IDWR) requested additional information to support Application for Permit 61-12256. Intermountain Sewer & Water Corporation (Greg Johnson) is the applicant.

On November 20, 2010, IDWR granted an extension to complete submittal of the information requested in March, contingent on the following benchmarks:

1. Submittal of a letter on or before **December 31, 2010** summarizing what work (if any) has been done to produce the requested information, and explaining how any outstanding information will be produced,
2. Submittal of a letter on or before **March 15, 2011** summarizing progress in obtaining the requested information, and
3. Submittal of all requested information on or before **May 16, 2011**.

This letter is submitted on behalf of Mr. Johnson to meet the initial benchmark, and comply with IDWR's request concerning planned production of the information requested in the March 16, 2010 and November 20, 2010 letters to the applicant. The requested information, or a plan to obtain the requested information, is provided under headings which summarize each component of IDWR's request.

1. *Provide information showing why application 61-12256 for an expansion of the project should be considered when it appears the applicant has not complied with the project construction requirement of the original phase of the project under 63-32225.*

The applicant intends to develop a planned community in both Ada County and Elmore County (including approximately 6,000 homes), and is currently proceeding with planned community entitlements through Elmore County. The applicant has had numerous meetings with Elmore County's planning staff; a vote is scheduled on January 5, 2011 and a hearing will potentially be held in late February 2011. The applicant believes that 63-32225 will either be fully developed (2,000 homes), or reach the end of the authorized development period in

the amount of time required for approval of 61-12256 (4,000+ homes). In the event that 61-12256 is denied, the applicant will need time to secure water rights and construct facilities to import water to support the anticipated development. Therefore, it is prudent for the applicant to initiate processing and seek approval of 61-12256 during the development period of 63-32225.

2. *Provide credible information that the additional water development proposed in 61-12256 can be completed and beneficially used within a five-year period, particularly since 10.0 cfs under 63-32225 should be developed and used prior to any development under 61-12256.*

In the event that the planned community is successful, it is anticipated the full capacity of 63-32225 could be developed prior to the expiration of its development period. It is anticipated the additional permit (61-12256) will be required to continue development of the planned community.

3. *Confirm that none of the proposed rate of flow in 61-12256 will be dedicated only to fire protection. Alternately, the application should be amended for separate municipal and fire protection uses if necessary.*

As stated on the application, fire protection flows will be provided from storage reservoirs. None of the proposed rate of flow will be dedicated solely for fire protection.

4. *Demonstrate an adequate, sustainable ground water supply is available, and demonstrate the proposed use of ground water will not result in further ground water level declines in the Mountain Home Ground Water Management Area or the Cinder Cone Butte Critical Ground Water Area.*

In response to this request, we anticipate providing an assessment of available ground water supply in the Mayfield Springs area based on (1) selected material provided in the *Water Supply Assessment for the Mayfield Springs Planned Community* (submitted to IDWR on March 22, 2006 in support of permit application 63-32225), (2) recent water level trends based on data collected by IDWR in wells near the Mayfield Springs Planned Community, (3) USGS surface-water monitoring data from Indian Creek locations, (4) seismic information collected by the Center for Geophysical Investigation of the Shallow Subsurface (CGISS), and (5) any newly-available geological maps and/or reports being prepared by the Idaho Geological Survey (IGS). A technical memorandum summarizing the results of the above-listed analyses will be submitted to IDWR (with supporting documentation) on or before May 16, 2011.

In addition, information from the testing of a public water system supply well being constructed under Permit 63-32225 will be used to further refine estimates of sustainable water supply in the Mayfield Springs vicinity. While testing of this well will likely not be

complete by May 16, 2011, we anticipate that information from this well will be available later in the approval process for Application 61-12256.

5. *The proposed wells are within the Mountain Home Ground Water Management Area (GWMA) and not far from the Cinder Cone Butte Critical Ground Water Area (CGWA). Demonstrate the proposed use of ground water will not result in further groundwater level declines in the GWMA and the CGWA.*

An evaluation of potential impacts to water levels in the Mayfield Springs vicinity and the Mountain Home GWMA or the Cinder Cone CGWA is being prepared and will be submitted on or before May 16, 2011.

Again, information from the testing of a well being constructed under Permit 63-32225 will be used to refine projections of potential impacts to ground water levels in the Mountain Home GWMA or the Cinder Cone CGWA as a result of pumping under Application 61-12256.

6. *Discuss plans to monitor and report data about ground water supply, ground water levels, and ground water quality in and around the project area if 61-12256 is approved and development proceeds.*

A detailed monitoring and reporting plan is being developed and will be submitted on or before May 16, 2011.

7. *Discuss the cumulative effects of ground water development under the existing permit (63-32225), this new application (61-12256) and all projects senior in priority to 61-12256 in the so-called "I-84 Corridor".*

An analysis of aggregate and cumulative pumping under Application 61-12256, 63-32225, and other nearby projects senior in priority to Application 61-12256 is being prepared and will be submitted on or before May 16, 2011.

8. *Describe how the applicant intends to become a municipal provider for the expanded service area under I.C. 42-202B, specifically with respect to the Idaho Department of Environmental Quality and/or the Idaho Public Utilities Commission.*

Mr. Johnson is President of the Mayfield Springs Water Company (currently operating in Arrowrock Ranch Subdivision). The corporation has PUC approval as a public water supply company, and its rates are regulated by the PUC. The water rights developed under Permit 63-32225 and Application 61-12256 will be conveyed to Mayfield Springs Water Company which will operate the municipal supply system for the Mayfield Springs development.

9. *Describe the applicant's progress with any required local government approvals.*

Please see our answer to Item No. 1. In addition, the applicant has engaged SPF to complete public drinking water supply permitting with IDEQ. This effort will be completed prior to delivery to residential units.

We anticipate providing a project update to IDWR on or before March 15, 2011.

Sincerely,



Roxanne Brown
Sr. Water Right Specialist

cc: Greg Johnson